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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. GIBBONS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 13, 1999.

I hereby appoint the Honorable JIM GIBBONS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1906. An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1906) "An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2000, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COCHRAN, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. BURNS, Mr. STEVENS, Mr. KOHL, Mr. HARKIN, Mr. DORGAN, Mrs. FEINSTEIN, Mr. DURBIN, and Mr. BYRD, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested.

S. 28. An Act to authorize an interpretive center and related visitor facilities within the Four Corners Monument Tribal Park, and for other purposes.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

The Chair recognizes the gentleman from Washington (Mr. METCALF) for 5 minutes.

MONEY

Mr. METCALF. Mr. Speaker, my topic today is money. About the only thing most of us know about money is that we need more of it. But there is really a lot more that we need to know about our money system.

For example, most people do not know that we pay rent on our money; yes, interest or rent on the cash we use. It costs every American about \$100 every year indirectly to rent our cash, that is, our paper money, from its owners, the Federal Reserve.

Of course, the Fed does not just spend that money. It is returned to the Federal Treasury. Thus, in reality, if it goes to the Treasury, it is a tax or rent we Americans pay to the Fed for the privilege of using the Fed's money, an indirect tax on our money in circulation.

We all know that we are taxed on nearly everything, but not many people know that we pay a tax on our money. This tax, about \$25 billion, or \$100 per person, is paid to the Fed each

year by the U.S. Treasury to pay interest on U.S. bonds that are held by the Fed to back our money. What a foolish and costly system, to rent Federal Reserve notes for \$25 billion a year, when the U.S. Treasury could issue our own currency, our own United States notes, without debt or bonds or any interest at all, just as we issue our coins.

Our coins are minted by the United States Treasury and essentially spent into circulation. The Treasury makes a neat profit on them of over 80 percent of the face value of the coins issued. That is a lot of profit. A grave question is, why do we not issue our paper money the same way we issue coins, and gain an immense profit or seigniorage for our Treasury, and, of course, for the American people?

It has been said that the U.S. Government goes further into debt whenever it issues currency, but makes a profit when coins are placed into circulation. This is truly a system that defies logic. Again, why do we not issue our own paper money, just as we issue our coins? There is no legitimate reason why we do not.

I am pleased to present a simple and realistic way to accomplish this. Congress needs only to pass legislation requiring the U.S. Treasury to print and issue U.S. Treasury currency in the same amount and the same denominations as the Federal Reserve notes.

The Treasury would issue these new U.S. notes through the banks, while withdrawing a like amount of Federal Reserve notes. Thus, there would be no change in the money supply. As these Federal Reserve notes are collected by the U.S. Treasury, they must be returned to the Fed to buy back or redeem the face value, the same face value in U.S. interest-bearing bonds now held by the Fed, a total of about \$500 billion. So over a couple of years, we would have real U.S. currency circulating, and the U.S. debt would be reduced by substantially more than \$400

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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